

JUL 26 1965

STATINTL

FOREIGN POLICY SEEN DISRUPTED

Fulbright Cites Collapse Of Deal With Romania

Washington, July 25 (AP)—Citing an abortive Romanian trade deal, Senator Fulbright (D., Ark.), asserted tonight the United States Government and private business allowed "special interests to disrupt the foreign policy of the United States."

The cure for this situation, he said, will lie in more "forthright and courageous leadership" by the Government's policymakers and "a strong sense of responsibility" by business interests involved in foreign affairs.

The Senate Foreign Relations Committee chairman declared this combination was "sadly lacking" in the collapse last spring of the proposed sale of a \$50,000,000 synthetic rubber plant to Romania. President Johnson's policy of bridge building toward East European countries favors more trade with these Communist nations.

"Nuisance Activities"

In a speech prepared for Senate delivery and released tonight, Fulbright said the Firestone Tire and Rubber Company broke off negotiations with Romania because of:

"First, the nuisance activities of a minor vigilante group . . . which calls itself Young Americans for Freedom." The group distributed critical handbills and otherwise opposed Firestone's proposed deal, he said.

"Second, and undoubtedly more important, the pressure of a major Firestone competitor" whom he identified as the Goodyear Tire and Rubber Company.

"Third, the curious reluctance of the United States Government

to give the Firestone Tire and Rubber Company strong support against these pressures."

The State Department declined comment. None was immediately available from Firestone.

A Goodyear spokesman said: "Our decision not to build a synthetic rubber plant for Communist Romania was based solely on the fact that such technical knowhow should not be sent behind the Iron Curtain where it could become available to Communist China."

Fulbright said Goodyear "at first showed an apparent interest of its own in the possibility of doing business with Romania. . . . Then, for reasons which are not entirely clear, Goodyear suddenly 'got religion' and grandly refused to traffic with the Red heathen."

"Somewhere along the line the idea of profiting from all the demagoguery against Firestone did creep into the minds of Goodyear's managers," Fulbright added.

"Competitive Pressures"

The Senator said Firestone "found itself subjected to unusual competitive pressures and to a nuisance boycott campaign conducted by an extremist political organization."

Having entered into the Romanian negotiations with United States Government encouragement, he said Firestone executives went to the State Department but

were then told the company "was on its own."

"The Firestone transaction was the first real test of the new American policy toward Romania and the United States failed the test," Fulbright said.

Seen Available Elsewhere

"When important policies of the Government are threatened by irresponsible, selfish interests, it is not adequate for the executive branch to accept the defeat of these policies with nothing more than expressions of regret," the Senator said.

Romania can easily get its rubber plant from other Western nations or from Russia, so the net result of blocking the United States deal, he said, is that:

"Instead of a healthy profit of Firestone, a solid gain for our balance of payments, and a positive step forward in the building of bridges to the East, the United States will have earned a harvest of ill will and a reputation for being quite incapable of exercising policies decided upon by the President and the Department of State."

Fulbright cited other instances ranging from "irresponsible shipping boycotts" to pressures on chain stores against sale of Communist-produced goods.

"National Responsibility"

"It is not enough for the United States Government to be silent in the case of such pressures," he said. "It should actively repudiate them."

Business and trade are of the greatest importance to the nation's foreign political objectives, he stated. Thus "a large company engaged in international business has a national responsibility" and "the Government in turn has the responsibility to assist and encourage foreign business activities which are considered to be in the national interest," he said.